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Meeting Minutes 02/11/2008

ARLINGTON FINANCE COMMITTEE
 MINUTES OF MEETING
 7:30 PM O'NEILL ROOM COMMUNITY SAFETY BUILDING
 2/11/08

ATTENDEES:

McGaffigan*		Dunn*	Phelps*	Mahoney*
DeCoursey*	Connors	Simmons*	Bayer*	
Tosti*	Foskett*	Deyst*	Ronan	
Ferrara*	Franclemont*	Jones*	Olsen*	
DuBois*	Howard*	Fanning*	Carman*	Turkall*

* Indicates present

VISITORS: Treasurer Stephen Gilligan, Financial Advisor Peter Frazier

GENERAL: The mtg was chaired by Vice Chair Charlie Foskett.

ART 65 REVALUATION: Foskett reported that the Director of Assessments does not need additional appropriation this year and is willing to withdraw this article.

ART 74 CRB REPORT: Foskett quoted Town Counsel as stating that Town Meeting can not require the CRB to do anything.

VOTED to change "require" to "request" in the recommended vote.

MINUTES of 2/6/08 accepted as amended. Unanimous.

ART 45 PENSION OBLIGATION BONDS (POBs): Gilligan, using material prepared by Frazier, proposed that the Town sell bonds to pay off the current pension liability of \$56m. After three years this would free up \$980k/yr assuming that the pension fund yields 7.75%, the actuarial (predicted) rate, and the interest on the bonds is 5.39%. The three year delay is required by the state to discourage arbitrage for operating expenses. The Town Meeting vote would authorize the sale of POBs but the final decision would be made by the BoS & Treasurer based on the interest rates at the time of the decision (probably no sooner than next fall since enabling legislation is required).

Gilligan suggested the savings be put into the OPEB fund. The state requires the POB monies be invested in PRIT or a nationally recognized investment house. Frazier reviewed the history of POBs starting in the early 90s. Two MA communities have sold POBs; nine have authorized POBs. The risk of this plan is that the pension fund returns will fall off to less than the annual cost of the bonds so that new unfunded liability will be created. Frazier pointed out that a POB is less flexible than the current funding plan since the end date can be moved somewhat.

ART 44 BENEFIT OBLIGATION BONDS (BOBs) Gilligan stated that these bonds, to fund retiree health care, would be similar to POBs. There are no state guidelines. No other communities have sold BOBs. The actuarial predictions are much more uncertain since the future cost of health insurance is unknown as is the future health of our retirees. Gilligan sponsored this article at the request of the CRB. He does not recommend it.

BUD 1 FINANCE COMMITTEE The GenGov SubCom (Howard) recommended no change from last year's budget. This recommendation had been discussed w/ the chair.

VOTED \$10,778. Unanimous.

BUD 16 ZBA: The GenGov SubCom (Howard) corrected the FY08 salary increase on the summary page in the budget book to \$1,015. He recommended the same budget for FY09 as FY08.

VOTED \$23,311. Unanimous.

BUD 17 PUBLIC WORKS: PubWorks SubCom (Olsen), using a detailed handout, recommended a preliminary budget. The budget is preliminary because it includes a \$50k estimated saving from outsourcing cemetery maintenance. Bids have not yet been received. He said that many positions had been filled though 7 or 8 remain vacant including the town engineer.

VOTED \$6,831,546. 15-0-1

OPEB: Foskett provided a letter from Town Counsel reviewing the history of OPEB votes by Town Meeting and related actions.

ART 7 AFFORDABLE HOUSING TRUST Foskett has read the article and looked up the referenced legislation. He concludes that the Town would be fiscally liable for actions taken by the Trust and thus the article has a financial impact. The members agreed & the Exec Secretary was asked to schedule a hearing.

COMMITTEE No mtg on Wed. Scheduled hearings:

On 2/20 TAC

On 2/25 Harrington on Sidewalks School Routes.

On 2/27 Town Manager on Town Budgets.

On 3/3 Capital Planning Committee on Capital Budget.

On 3/5 Moderator on Warrant timing.

On 3/10 Permanent Town Building Committee on Thompson School.

RESERVE FUND BALANCE: \$276,706.28

Peter B Howard Secretary 2/12/08 Revised 2/20/08

cc FinCom Members, Selectmen, Town Manager, Comptroller, Library File, Town Web Site FinCom Web Site

VOTE SUMMARY – Articles

# 1/28	# 2/4	Title	Date Heard	Date Voted	Status (Unlisted votes were unanimous)
18	5	Bylaw Amend 1,1,2, Open Warrant			
27	7	Bylaw Amend Afford House Trust			Foskett reported 2/11
20	14	Bylaw Amend Snow Removal			
21	15	Bylaw Amend 1,18 Mtg Notices	2/4		Tabled Tosti to discuss w/ BoS
63	39	Increase Accidental Death Benefit	2/4	2/4	Favorable action
64	40	Extend Benefits	2/4	2/4	No Action Dunn to write comment.
62	41	Pension Adjustments	2/4	2/4	Favorable action
65	42	Transfer OPEB Funds	2/4	2/4	Tabled. Report from Maher, Treasuer hearing
66	43	Transfer OPEB Funds			ACRB
68	44	Borrowing for OPEB	2/11		
67	45	Pension Obligation Funds	2/11		
45	47	Positions reclassification			Phelps to present
43	48	Collective Bargaining			
44	49	Future Collective Bargaining			
46	51	Budgets			
47	52	Capital Budget			Hearing 3/3 8:00
55	55	Sewers			
	54	Swimming Pool	2/6	2/6	Favorable action \$0
56	56	Water			
48	57	Rescind authority to borrow			
48	57	Rescind Authority to Borrow			
50	58	Minuteman Tech			DeCourcey to schedule
51	59	Town Celebrations			TwN Man
53	60	Committees &			hearing if last year approp not OK

		Commissions			
52	62	Miscellaneous			TwN Man
28	63	Town Water Bodies			Hearing in mid-March
70	64	Harry Barber Service Program			hearing if last year approp not OK
71	65	Revaluation			Withdrawn 2/11
69	66	Local Option Taxes			
72	67	Tip Fee Stab Fund			
58	68	Tip Fund Money Appropriation	2/6	2/6	No action
73	69	Cemetery			
74	70	Overlay Reserve Surplus			
75	71	Stabilization Fund			
76	72	Free Cash			
59	73	Medicare Part D Reimbursement	2/6	2/6	No action 9-2
	74	CRB Report	2/6 2/11	2/6 2/11	Favorable Action Para 1 & 3 Request not require
57	75	Services to Non-Profits	2/6	2/6	No report 9-1 Encourage followthrough
60	76	SPED	2/6	2/6	No action

VOTE SUMMARY-Budgets

#	Title	Date Heard	Date Voted	Amount	Vote Unlisted votes were unanimous
1	FinCom	2/11	2/11	10778	
2	Board of Selectmen				
3	Town Manager				
4	Personnel				
5	Comptroller				
6	Treasurer				
7	Postage				
8	Assessors				
	Information Technology				
9	Legal				
10	Town Clerk				
11	Registrar of Voters				
12	Parking				
13	Planning				
14	Redevelopment Board				
15	Zoning Board of Appeals	2/11	2/11	23311	
16	Public Works	2/11	2/11	6831546	15-0-1
17a	Community Safety Admin				
17b	Police				

17c	Fire				
17d	Support				
18	Inspections				
19	Education				
20	Library				
21a	Health & Human Services				
21b	Veterans				
21c	COA				
22	Retirement				
23	Insurance				
24	Street Lighting				
25	Reserve Fund				
W&S					
Rec					
Rnk					
COA					
Youth					